

July 31 / Administration of George Bush, 1992

and Bill Leonard; Dan Hollingsworth, chair, Ethel Silver, chair, Victory '92 in Riverside
Riverside County Republican Party; and County.

White House Fact Sheet: The President's Welfare Reform Strategy July 31, 1992

In his State of the Union Address, President Bush said his administration would help States that wanted to reform their welfare systems by granting a quick review of their welfare waiver requests. The President today called for additional welfare reform demonstrations and legislative changes that would create more flexibility for States and localities. The President's plan is detailed in an administration paper on welfare reform released today.

The Problem: Welfare Dependency

Currently there are more than 13 million recipients of Aid to Families with Dependent Children (AFDC) benefits, more than 25.5 million food stamps recipients, and more than 30 million people on Medicaid.

The problem addressed by the administration's proposals and paper released today is not welfare receipt but welfare dependency. Half of all new public assistance recipients will be off the rolls in less than 2 years. But too many others will be trapped in the system. At any point in time, about two-thirds of those on welfare will be on for 8 or more years.

Important determinants of dependency are: teen motherhood; dropping out of school; no prior work experience.

The consequences of dependency can be severe: long-term poverty; entrapment in crime ridden neighborhoods; and higher chances that one's children will themselves become dependent on welfare.

These and other facts about welfare receipt and dependency are reviewed in a data appendix to the paper released today.

The President's Principles

The President's fundamental goal for welfare reform is to create incentives that will enable welfare recipients to leave the system at the earliest possible time, as economically self-sufficient and responsible

participants in their community.

At the same time, we have begun to open the doors of opportunity to one of the larger groups that has been relegated to welfare dependency, individuals with disabilities. The Americans with Disabilities Act, which took effect recently, gives these individuals the opportunity to gain control over their own lives and compete for jobs on a level playing field.

Federal programs that serve welfare recipients must instill responsibility and serve as a ladder of opportunity.

Accomplishments

The paper released today reviews the administration's accomplishments, which include:

Expanding the Earned Income Tax Credit (EITC), which will provide an additional \$18 billion in assistance to low-income working families over the next 5 years.

Implementing the Job Opportunities and Basic Skills Training (JOBS) program. Over \$1 billion is available this year for job search, training, and education services, child care, and more than 500,000 welfare recipients are participating each month.

Increasing child support enforcement resulting in over \$6 billion collected in fiscal year (FY) 1992.

Expanding the Head Start program to \$2.8 billion in FY 1993 for all eligible 4-year-old children whose parents want them to participate, an increase of 127 percent since the President took office.

Pending Proposals

The President's welfare reform proposals that have been pending before the Congress include:

The Community Opportunity Act, proposed in May 1991. This proposal would create broad authority to permit testing of

innovative programs. It would allow proposals to come forward from State and local governments as well as grass roots groups.

Increasing the AFDC assets limit. States would be allowed to raise the amount of assets a family could accumulate and still stay on welfare from \$1,000 to \$10,000. Presently, individuals saving for college or to start a business may get thrown off welfare. The family's choice: spend any savings or lose your welfare benefits.

Escrow Savings Accounts. A demonstration would test whether long-term AFDC recipients would be more likely to work their way off welfare if, when they did, they received a bonus payment based on foregone AFDC benefits.

Plan for Achieving Self-Support (PASS). States would have the option of excluding income used by an AFDC family head to become self-employed when assessing whether a recipient qualifies for AFDC benefits.

The President's Proposal

The President's proposal affirms his commitment to State innovation. Welfare waiver requests are being processed rapidly, and promising areas of innovation are identified.

Review of welfare waiver requests

The President promised a quick review of welfare waiver applications in his State of the Union Address. Requests from Wisconsin, Oregon, Maryland, California, and New Jersey have been approved; requests from Utah and Michigan are under review.

The ideas included in those waivers include incentives for work and family formation, for immunization and obtaining preventive health services, and for responsible childbearing and school attendance.

Areas in need of innovation

The administration today identified three areas where further innovation is important. Those areas are: (1) Providing comprehensive services for teen parents; (2) Promoting parental responsibility; and (3) Encouraging self-sufficiency.

Interventions for unmarried teen parents were identified as the highest priority. These individuals are the most likely to become welfare recipients, especially long-

term recipients.

Legislative changes

The President called for legislative changes to expand waiver authority, provide greater program flexibility, and strengthen programs.

1. Expanded waiver authority: Waiver authority comparable to the broad authority that today applies to AFDC will be proposed for food stamps and Federal housing programs. For example, current law does not allow for coordinated incentives and rules across cash, food, and housing assistance programs.

Waiver authority will also be proposed to allow the Davis-Bacon Act to be waived to allow the homeless and public housing residents to work in housing improvement projects. Those homeless and public housing residents who are gaining skills while working may not have the productivity needed to earn the wages required under Davis-Bacon.

2. Greater program flexibility: The administration will propose a targeted version of the Community Opportunity Act (COA) proposal it offered last year. The COA would allow States and communities to undertake broad reform programs that cut across multiple program lines. The new proposal, the Community Opportunity Pilot Project Act (COPPA), would make the authority initially available for projects in five sites. For example, the Atlanta Project, a community effort to address the problem of Atlanta's most troubled neighborhoods that former President Carter has discussed with President Bush, could redesign the operation of Federal programs in Atlanta under COPPA.

Legislation will be proposed to allow greater flexibility to State and local officials. The greatest additional flexibility will affect work requirements for welfare recipients. The legislative changes will:

Allow inclusion of food stamps and the value of having Medicaid in determining the amount a welfare recipient must "work off" as part of a workfare program;

Remove limitations on positions to which welfare recipients can be assigned to fulfill

a workfare obligation;

Remove prohibitions on extended job search and requirements for intake assessment in JOBS, enabling State and local officials to give job search higher priority; and

Allow States to move from a “cash up front” to a “pay for performance” approach for welfare payments, with payment made after the performance of assigned program activities such as schooling or job search.

3. Stronger values: The requirement that

AFDC recipients cooperate in establishing who is the father of their children would be expanded to include all relevant information and cooperation with followup efforts.

Separate and often unnecessarily stricter Federal requirements for evicting convicted felons from public housing would be repealed. This proposal would defer to local law instead of providing a separate Federal requirement for eviction.

Appointment of Constance Horner as a Member of the Council of the Administrative Conference of the United States

July 31, 1992

The President today announced his intention to appoint Constance Horner, Assistant to the President and Director of Presidential Personnel, of the District of Columbia, as a member of the Council of the Administrative Conference of the United States for a term of 3 years. She would succeed James W. Cicconi.

Since 1991, Mrs. Horner has served as Assistant to the President and Director of Presidential Personnel. Prior to this, Mrs. Horner served as Deputy Secretary of the Department of Health and Human Services, 1989–91; Director of the Office of Personnel Management, 1985–90; Associate Director of the Office of Management and Budget, 1983–85; Director of VISTA and Acting

Associate Director of ACTION, VISTA’s parent agency; and Deputy Assistant Director of ACTION for policy and planning. She has also served on the President’s Commission on White House Fellowships and the President’s Commission on Executive Exchange.

Mrs. Horner graduated from the University of Pennsylvania (B.A., 1964) and the University of Chicago (M.A., 1967). She is also a fellow of the National Academy of Public Administration. Mrs. Horner was born February 24, 1942, in New Jersey. She is married, has two children, and resides in Washington, DC.